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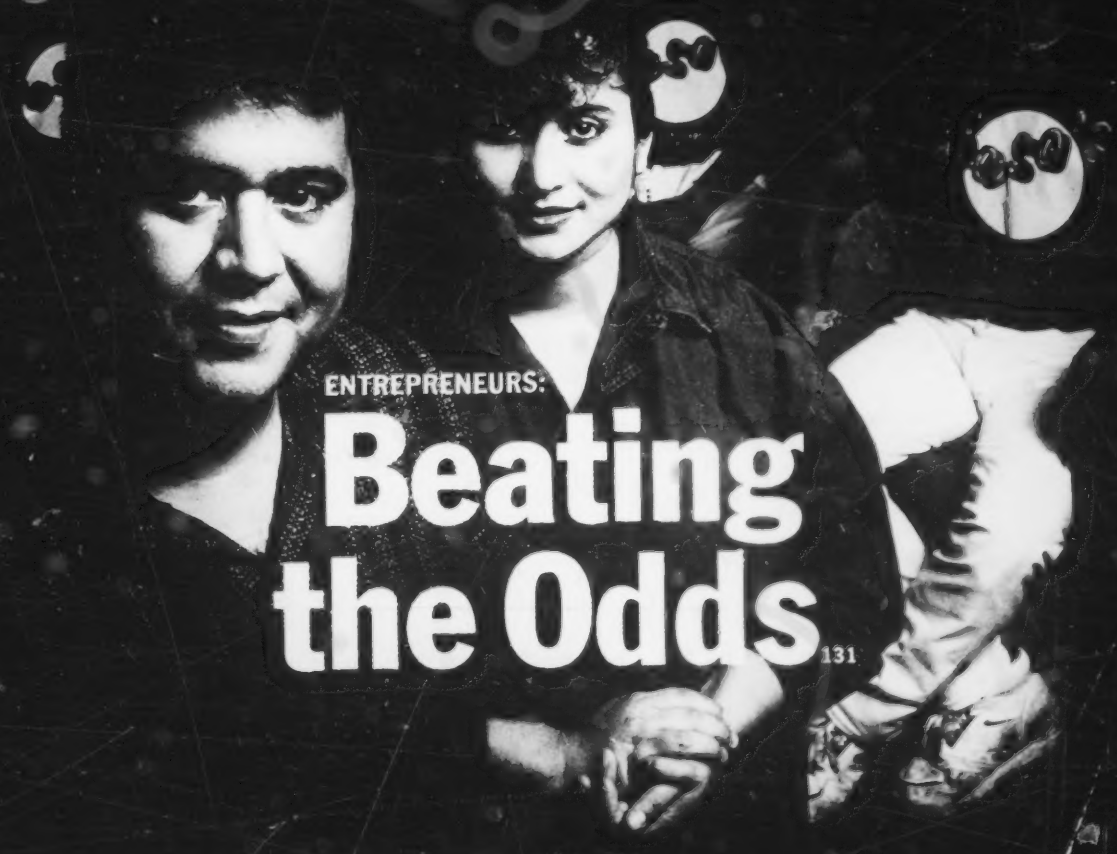

ENTREPRENEURS:

Beating the Odds

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BUSINESS BAROMETER

Alcohol-Awareness Programs

More than three-fourths of tableservice restaurants offer server-training alcohol programs, but less than one-third have designated driver programs, according to a National Restaurant Association survey.

Alcohol programs of tableservice restaurants

	under $8	$8-15	$15-25	$25+
Server training program	79%	83%	84%	91%
Alternative transportation	54	72	79	81
Written staff policy	62	62	63	71
Designated driver program	29	30	30	35

Source: National Restaurant Association Tableservice Operator Survey, 1990

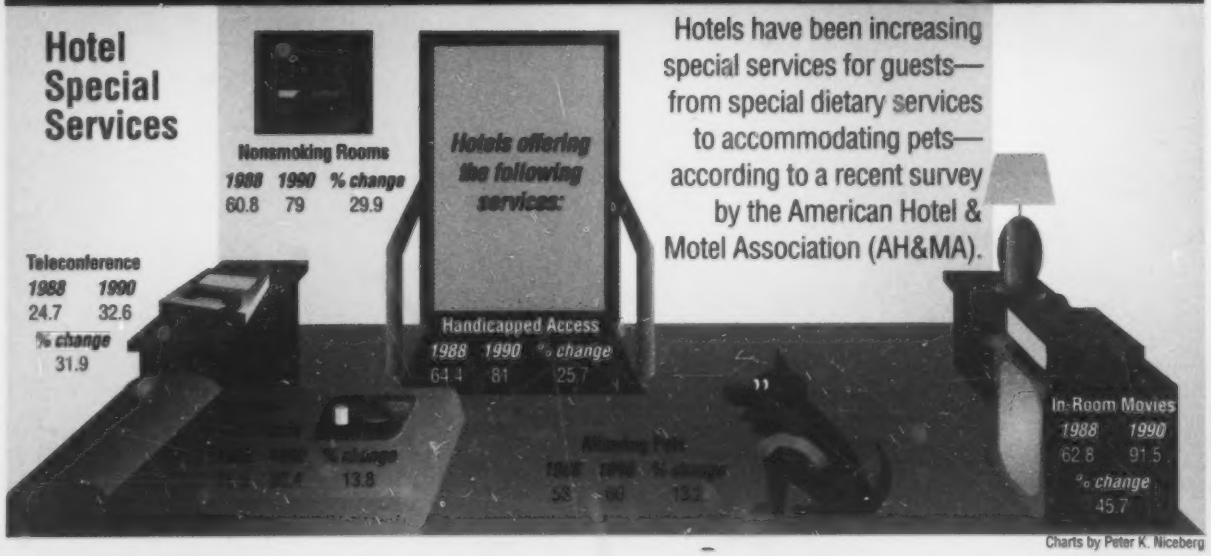
New Restaurant Practices

In response to the economy and changing consumer tastes, restaurant operators have changed their ways. The changes are documented in a National Restaurant Association operator survey.

Source: National Restaurant Association Tableservice Operator Survey, 1990

Hotel Special Services

Hotels have been increasing special services for guests—from special dietary services to accommodating pets—according to a recent survey by the American Hotel & Motel Association (AH&MA).



Charts by Peter K. Niceberg

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COVER STORY

UNSUNG ENTREPRENEURS. A dedicated group of restaurateurs have worked long and hard but have also gone unheralded. We've picked a cross section of both independent and regional chain entrepreneurs to represent this noble club. Featured are: Benjamin Castelan and his family of Austin, TX-based Peso's Mexican Restaurants; partners Mark Cumins and Jerry Scheer of Charleston, SC-based T-Bones; Hans Lenzlinger of New Glarus, WI-based The New Glarus Hotel; Paul Landino and John Musco, Subway Sandwiches & Salads development agents in North Haven, CT; and Peter Taber and Connie Durant, the brother and sister team behind Palo Alto, CA-based Hobee's Restaurants **131**

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SPECIAL REPORT MARRIOTT. Few companies, let alone family-operated ones, achieve the stature that Marriott Corp. has in its 64-year history. However, times, like stock market values, change. If the past two years are any indication—and not everyone thinks they are—Marriott Corp. has been forever changed, a victim of the very aggressiveness that for a decade served the company and its shareholders so well **84**

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Cover photograph by Paul Bardagjy

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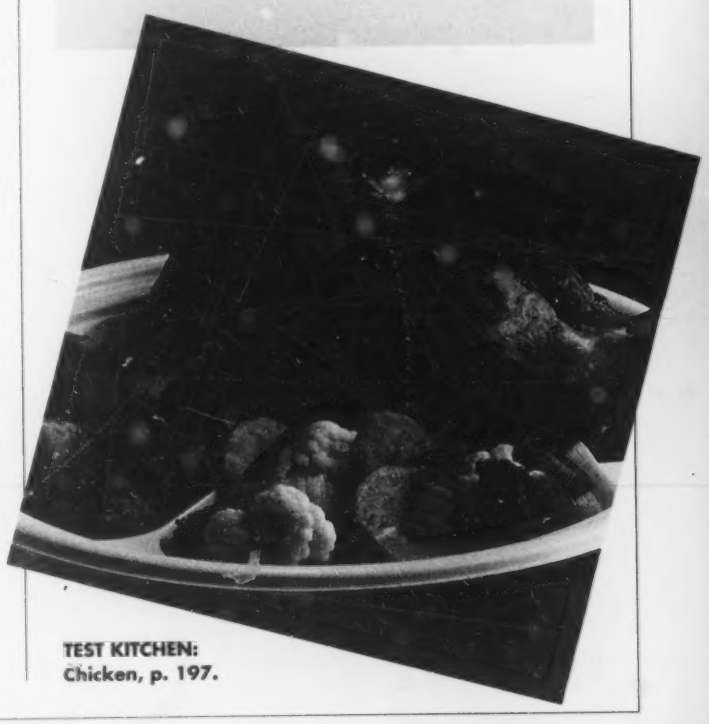
COVER STORY McDONALD'S. *RB* features an exclusive story on the elusive hamburger giant. President Ed Rensi, franchise vice president Burt Cohen, and menu developers Tom Glasgow and Michael Goldblatt talk in-depth on how they're positioning the company. The report will include details on McDonald's marketing approach for the '90s, product development, price strategies, pizza, the polystyrene policy, the McLean burger, and McDonald's plans to dabble in dinner.

MARKET SEGMENT REPORT ASIAN. Independents lead the way in this market segment, although small fledgling chains are also exercising some muscle. Operators are banking on customer perception of Asian cuisine—Chinese, Japanese, Thai, Korean, and Indonesian—as healthy exotic food, and are offering customers Asian-type menu items, or opening restaurants with an entirely Asian theme.

DRAFTS, CARAFES CASUAL CALIFORNIAN WINES. The casualization boom in restaurants has its own echo boom: flavorful, affordable, and marketable California vintages.



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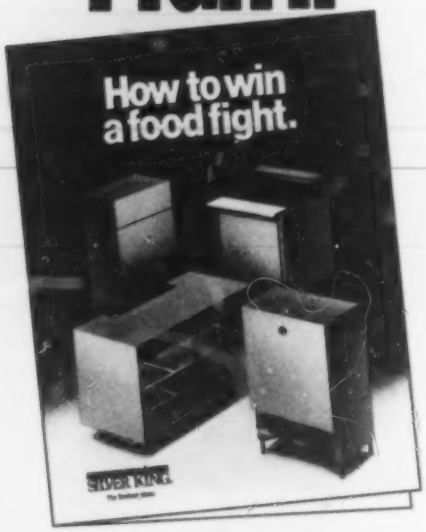
HOW TO WIN A FOOD FIGHT.



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SEAFOOD

Consumption has risen 25% over the last decade.

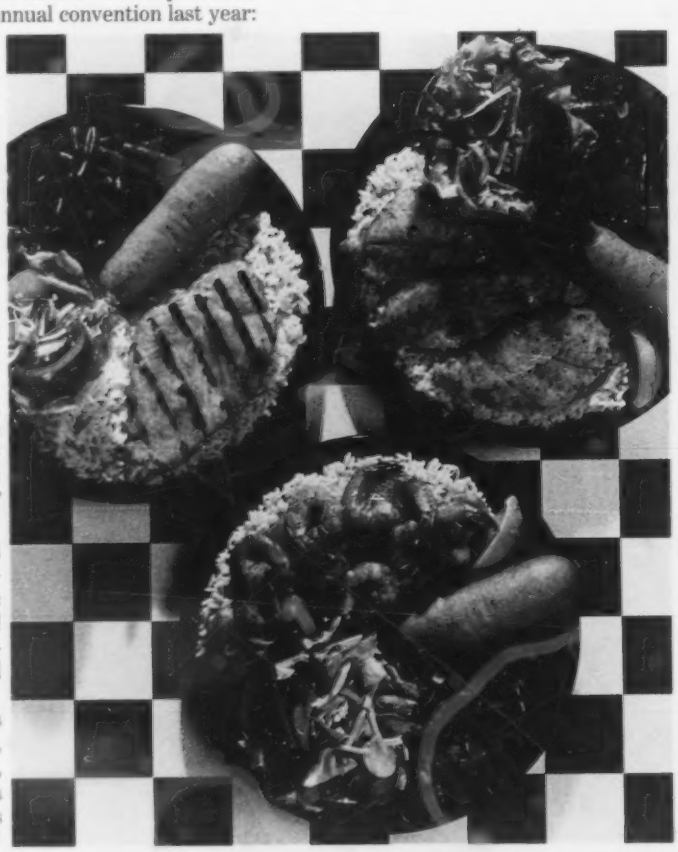
By Carol Casper

Seafood restaurants, especially chains, face tremendous challenges. Their biggest problem is not how to market seafood, but how to find supplies to meet rising demand. Dwindling supplies of some species and growing competition from overseas make seafood a difficult commodity in which to deal.

The expertise needed to handle a highly perishable product, the difficulty of marketing an expensive product in an era of falling menu prices, and reported safety concerns over contamination from natural toxins and polluted water are further complications.

On the positive side, seafood's popularity continues to rise. In 1989, U.S. consumption reached an all-time high of 15.9 lb. per capita, a 6% gain over the previous year. In the last decade, consumption rose 25%, says the National Fisheries Institute (NFI), Arlington, VA. Experts predict that annual seafood consumption will reach 20 lbs. per person by the year 2000.

A key question restaurateurs will be asking, given this trend, was posed by NFI executive vice president Lee Weddig at the group's annual convention last year: "Where's the fish?" The answer will determine what seafood restaurants will be menuing and what kinds of pricing and profits they can expect in years to come.



Captain D's new Captain's Grille line of broiled items includes orange roughy, chicken, and shrimp.

Far more than in any other restaurant segment, the seafood operator's success depends on how well he does at buying product. Procurement has always been complicated by pricing and supply fluctuations. Pricing and supply issues have grown more complex as the seafood market has evolved globally. The dollar's changing value can be as key a factor as the size of the catch.

One notable trend is a shift from reliance on traditional North Atlantic white groundfish staples like cod and haddock to more abundant and favorably priced species from Pacific waters.

One of the segment's largest fast-food chains, Shoney's Inc.'s Captain D's, recently introduced a Captain's Grille line. It was

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conceived not just as a way of extending nonfried alternatives for health-conscious consumers, but also as a move to lessen the chain's dependence on traditional white fish species.

"There have been tremendous fluctuations in white fish pricing since 1986," says Captain D's president Frank Brown. "We're paying 40% more than we did a year ago. We've had to make some strategic decisions so we can remain a seafood chain. Cod will never again be king. We're developing a whole inventory of alternative species."

Success in the segment depends on successful procurement strategies.

Similarly, more upscale operations like Gilbert/Robinson Inc.'s seafood group and Stouffer Restaurant Co.'s Rusty Scupper and Parker's Light-houses are supplementing high-priced favorites with lesser known, less costly alternatives. Doug Czufin, culinary director for Kansas City, MO-based Gilbert/Robinson's seafood operations, says the restaurants have experimented with South American corvina, Hawaiian kajiki or blue marlin, striped marlin, ono or wahoo, yellowfin tuna, golden tilefish, and skate.

Howard Cutson, vice president of food and beverage for Cleveland, OH-based Stouffer, says the company has had success in the Midwest with escolar, a Gulf Coast fish. Still, he notes, many customers are wary of trying new fish with unfamiliar names.

The growing aquaculture industry provides some of the brightest spots in the supply picture. Farm-raising has made a huge impact on availability and pricing of shrimp, salmon, catfish, and trout. Other farm-raised species that could play a role in the next decade are tilapia or Nile perch, hybrid striped bass, and sturgeon, says the NFI.

The controlled process of farming also promises to fit fairly easily into soon-to-be mandated inspection guidelines, which may soothe safety concerns. As for products like oysters and raw shellfish, experts say that buying tagged product from certified waters should avert most problems. Regardless of source, Jon Rowley of Fish Works!, Seattle, WA, advises restaurateurs to build close relationships with their distributors

VALUE. Economic factors have also raised concerns over how to offer greater value to customers. "There is no such thing as a good piece of inexpensive fish," says Jeff Senior, co-owner of Skipjack's Seafood Emporium, Brookline, MA. To keep in step with downscaling menu prices, seafood restaurants find themselves battling both the back-of-the-house reality of high costs and the public's perception that seafood is expensive.

This situation demands more ingenuity than ever in terms of buying right, creating cost-sensitive product presentations, and making sure the level of service communicates a high price/value to customers.

Gilbert/Robinson devised a new system for its restaurant managers who buy fresh fish daily, notes John Bettin, vice president of operations for seafood.

"We've given them a set of menu price caps," says Bettin. "Of the eight to 12 varieties on the fresh sheet each night, they know that three must fall in the $12.95 or less range, two at $15.95 or less, and two to three at $17.95 or less. They have the flexibility to buy whatever will fit into these categories."

The company has also added a num-

The Lobster Clambake is a popular package at Weathervane.

ber of lower-priced options to its menus. They include a casual fare section of items that are not as traditionally dinner-oriented. The move is an effort to expand the concept's suitability to lighter, more spontaneous meal occasions. "We've relied on special-occasion, business travel, and convention trade to a large extent. This is helping us increase sales from the local base," says Bettin.

Working to seafood operators' benefit is the fact that more Americans than ever before like to eat seafood and are convinced of its health benefits, but many still don't feel comfortable preparing fish at home. Sam King, president of University Restaurant Group, Long Beach, CA, notes that because seafood purchasing and preparation is difficult, "If you can do it well, it gives you a competitive edge."

Roger Berkowitz, co-owner of Legal Sea Foods, Allston, MA, adds that in today's economic environment, some restaurants are de-emphasizing seafood because of the difficulties of handling a product that is so perishable and so costly. For seafood operators who have no other choice, the trend could work to their advantage.

GOOD ADVANTAGE. One chain that seems to be making everything about seafood work to its advantage is General Mills' Red Lobster, Orlando, FL, the single largest presence in the seafood segment. Red Lobster opened 40 new units last year, bringing its total to 500; 45 to 50 new stores are planned for this year. Red Lobster's sales for fiscal 1990 reached $1.34 billion, a gain of nearly 10% over the previous year. Average store volume grew from $2.7 million to $3 million.

"We haven't seen that much recessionary effect, but talk about the recession hasn't gone unnoticed," says Dick Monroe, vice president, public relations. "The idea of emphasizing value this year was not a coincidence."

Red Lobster's recent efforts include a series of popular $3.99 lunch and $8.99 dinner specials, as well as the addition of a number of regular lunches priced under $4.99.

Morrison Inc. has stepped up expansion of its L&N Seafood Grills.

Variety, flavor, and value are key to seafood sales at any price point.

Its daily fresh catch offerings, typically priced from $10.99 to $12.59, continue to account for a large portion of sales. A new addition to the daily insert is a selection of four specials: grilled snapper in lemon cream sauce; broiled trout Veracruz; Venetian haddock; and grilled catfish with Pecos butter.

Continuing its emphasis on giving customers as many choices as possible, the company also added a "create a combination" option for lunch that lets guests select a pair from a list of fish and seafood entrees, just as its "create your own platter" program lets them select a three-item combination for dinner. Other new offerings include shrimp Seville with tomatoes, olives, onions, and peppers over linguini, and Southwestern-style fried shrimp.

"There is definitely a tendency to add more variety and more flavors in the menu," says Monroe. "We find as people eat out more, they're more interested in exploring new tastes."

In its effort to add value, Red Lobster has also added new extras, including continuous service of hot cheese-garlic bread throughout the meal, and a new house Caesar salad. The company also updated servers' uniforms and introduced linen napkins. According to president Jeffrey J. O'Hara, the switch to cloth napkins, and elimination of paper napkin rings and placemats will enhance the dining experience and remove 4.7 million lbs. of trash from the waste stream every year.

FRANCHISED GROWTH. At Long John Silver's Seafood Shoppes, Lexington, KY, the nation's second largest seafood chain, the emphasis this year is on attracting new franchised growth. The company has 1,491 units, 470 of which are franchised. Systemwide sales last year were an estimated $830 million.

As part of the agreement that accompanied the chain's leveraged buyout in

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1989, Long John Silver's is prevented from spending capital on developing new company units. Instead, it hopes to attract new franchisees.

"We're looking primarily for franchisees who can open from 10 to 20 units at a time," says Bruce Cotton, senior vice president, public affairs.

Long John Silver's recent major menu change was its companywide rollout of a new baked dinner program. The baked menu includes a three-piece fish dinner and baked chicken at $3.99, and baked shrimp scampi for $4.99. There is also a "light baked dinner" with two pieces of fish for $2.99. All are served on a bed of rice with side salad and vegetable. In some units, the baked program replaces a broiled menu.

"We found as good or better acceptance with the baked menu, which is easier to prepare since the items are cooked in a microwave," Cotton notes.

The baked program has also brought a new influx of older customers, helping the chain achieve its goal of increasing customer counts.

Last year, Long John Silver's introduced new finger foods, which are also selling well, Cotton says. They include planks of cod or chicken served in a cardboard boat. The finger foods do well for drive-thru, their original intention. However, they are also being ordered more frequently than expected by eat-in customers, particularly as a children's meal, Cotton notes.

North Atlantic cod still makes up more than 50% of the chain's fish purchases, but a growing percentage, mainly pollock, is coming from Alaska and other North Pacific waters. Long John is also testing a new hoki product.

BROILING. Before it introduced the Captain's Grille, fried white fish of one sort or another made up 68% of the menu mix at Nashville-based Captain D's, but the company expects this mix to change dramatically.

The new broiled menu includes three permanent items: orange roughy, shrimp, and chicken. They will be supplemented with promotional items like ocean perch, salmon, swordfish, and a three-fish mixed grill as seasonal prices permit. Served on a bed of rice with side salad, bread stick, and choice of vegetable, dinners cost $3.99 to $4.99.

Following a successful test, Captain D's installed the menu in all 360 corporate units this spring and expects 90% of its 270 franchisees to offer it by year's end. A key component of the program, Captain D's president Brown notes, is special broiling equipment that cuts cooking time to just two minutes.

Red Lobster, now at 500 units, will add 50 this year.

Captain D's continues to offer baked orange roughy and chicken as well, which have their own core constituency, particularly among senior citizens.

In addition to changing procurement strategies, the baked and broiled items are part of an effort to broaden the chain's appeal to a wider customer base, Brown notes.

"Over the years, many customers of Captain D's began to perceive us as only serving fried food. The new program should help us regain former customers and also increase visit frequency from our existing base."

Captain D's is also developing a line of finger foods with a twofold purpose of creating add-on appetizer sales and offering convenient take-out. The first item, a box of eight cheese sticks with honey mustard sauce for $1.99, will be joined by at least two to four more items over the next few months.

The chain expects to open a combination of 25 to 30 corporate and franchised stores this year, with the emphasis on franchised locations. Growth has been constricted by the supply situation, Brown says, but the new Grille menu, built around orange roughy and North Pacific species, should help remove that block.

The chain claims the highest average annual store volumes of any fast-service seafood chain, with company-owned units averaging $667,000 in 1990.

Faring less well is Arthur Treacher's Inc., Youngstown, OH, whose 102 units generated 1990 systemwide sales of about $30 million. Things may be looking up, though. In the first half of this year, volume was up 10%, says James

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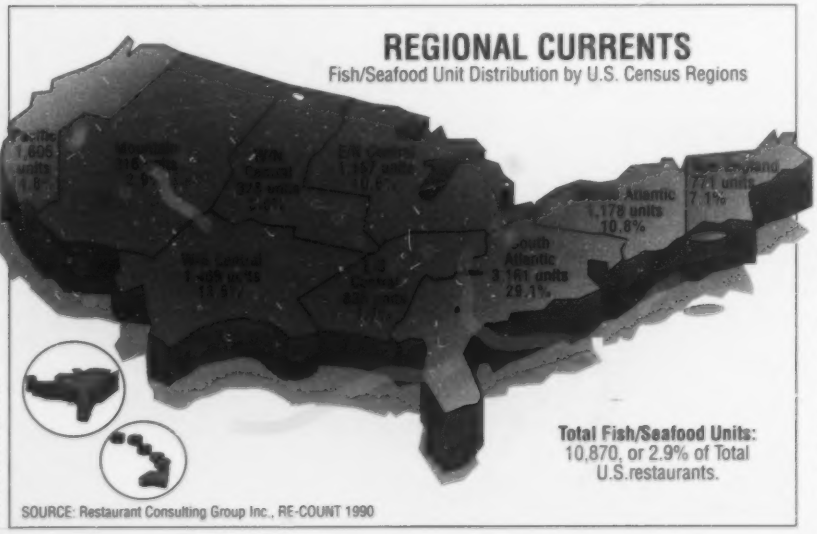

CHARTS BY SHARI FANG

SEAFOOD

Cataland, president. The company hopes to expand its base significantly over the next 12 months through a new master franchise program underway in Cincinnati and Toledo, OH, and throughout the state of Florida. "This is our first major franchising push since 1984," says Cataland.

Most new openings will be concentrated in shopping malls and office food courts. Arthur Treacher's is also still interested in developing a drive-thru concept, although an agreement with AutoCafe Systems Inc., announced last year, fell through.

Like other fast-food fish restaurants, Arthur Treacher's is concentrating on developing and marketing nonfried options. A broiled cod loin platter, introduced two years ago, will be more heavily promoted this year. The chain has also introduced its first nonseafood item, baked chicken, in about one-third of its units. It will eventually be rolled out systemwide. Cataland is optimistic about the future, commenting, "I think customer perception of fish as a healthy fast-food item is improving.

"Better harvesting methods and aquaculture are helping to stabilize price and supply, and the number of species being harvested is broadening. All these developments will impact our segment of the industry over the next few years, allowing us to provide greater variety and price/value."

SOMETHING FISHY. Another chain to watch is Dock's, owned by Fishy Things Inc., Willowbrook, IL. A homegrown Chicago enterprise that began branching out into multiple store development in 1985, it expects to step up growth through franchising over the next few years. Dock's currently operates 19 stores, about one-third franchised. They include three units in Nashville, Cleveland, and Milwaukee, opened in the last year. Agreements with franchisees in these cities call for the development of at least four to 10 units in each territory over the next few years. The company also hopes to open multiple units in Atlanta, Detroit, St. Louis, and other markets.

Despite its name, Atlanta's Fish Market is a high-end operation.

Newly popular species are helping to alleviate problems of supply and price.

Dock's is distinguished by its largely minority ownership and caters primarily to black clientele, says president Denny Robertson. "Because we convert other people's mistakes, start-up costs are not that high," he adds. The typical investment to open a new unit through renovation ranges from $125,000 to $175,000, plus a franchise fee of $15,000 and royalties. The company closed several poorly performing units last year, which helped boost average store volumes to $650,000.

Dock's concentrates on take-out, which is 95% of business. Virtually all units offer drive-thru, accounting for up to 60% of sales at some locations. Despite its fast-food orientation, the chain emphasizes quality, hand breading, and cooking all items to order. Its signature is a fish sandwich consisting of two lightly breaded whole fillets on a wholewheat bun for $2.99. Other items include Cajun flavored "sassy shrimp," jumbo shrimp, and an 11-oz. whole catfish dinner.

"In response to the Taco Bell syndrome, we've introduced a 99¢ minisandwich," Robertson says. "It's made with a 2-oz. fillet cut from our regular fillets.

"The thing that sets Dock's apart is the flavoring," he adds. "It's a more highly seasoned experience than at Long John Silver's or Captain D's.

"It's tough doing fast-food fish, because of the high cost," he adds. "We

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run about a 37% food cost."

MARGIN SQUEEZE. Seafood operators at both the lowest and highest price rungs are feeling the biggest squeeze on margins these days. Some restaurants at the lower mid-level, on the other hand, are prospering as customers who used to opt for higher-priced places seek to minimize expenditures.

Susan Paquette, director of marketing for Weathervane Seafood Restaurants & Markets, Kittery, ME, says sales have picked up, particularly with business customers concerned about their entertainment budgets. Partly due to these new customers, and to in-house promotions on appetizers and desserts, check averages have risen to $5.25 at lunch, almost $9.50 at dinner.

This gain helped push company sales up more than 10% last year to nearly $30 million. A considerable portion of the increase was also due to the opening of Weathervane's 15th unit.

Paquette says the company's main focus is on upgrading existing stores, "but we're always keeping our eyes open for new sites." Weathervane's menu emphasizes traditional North Atlantic seafoods, fried and broiled.

"We saw a big switch in customer preferences last year from fried to broiled, and that's continuing to increase, along with sales of other items that appeal to health-conscious diners," Paquette notes. One highly successful addition to the menu, she adds, is a Lobster Clambake consisting of a 1 to 1.25 lb. lobster, 1.5 lb. of steamer clams or mussels, a cup of clam chowder, salad, and potato or rice priced daily from $12.95 to $14.95.

People prefer eating seafood at a restaurant.

One way the chain keeps costs down is by purchasing and distributing all fish and seafood through its Kittery commissary.

SHELL GAME. Another chain that has done well due to its strong price/value orientation is Shells, Tampa, FL.

"A lot of people have made Shells their weekly night out, instead of going to a white tablecloth as they might have done before," says vice president Chip Roehl. With 27 units concentrated in the Southeast, including two opened last year, the chain is currently gearing up for a growth spurt to begin next year, which should take it to 50 stores by the end of '95, says Roehl.

"With eating habits becoming more health-oriented, and more people enjoying fish and shellfish, we see unlimited opportunity in the seafood dinner-house value niche," he adds.

Shells augmented its already value-oriented menu with special combination dinners this year. A "recession buster" priced at $6.95, for example, offered customers a choice of appetizers like clam chowder or a half dozen oysters, Caesar or dinner salad, and entree of chargrilled fresh fish, shrimp scampi, or seafood pasta. It also promoted a 30-shrimp dinner for $3.95.

While most sites still serve just dinner, Shell's recently tried lunch at several units, and will continue to add it wherever daytime traffic warrants.

SOUTHERN CURRENTS. In general, the South seems to be among the most fertile areas for seafood restaurant expan-

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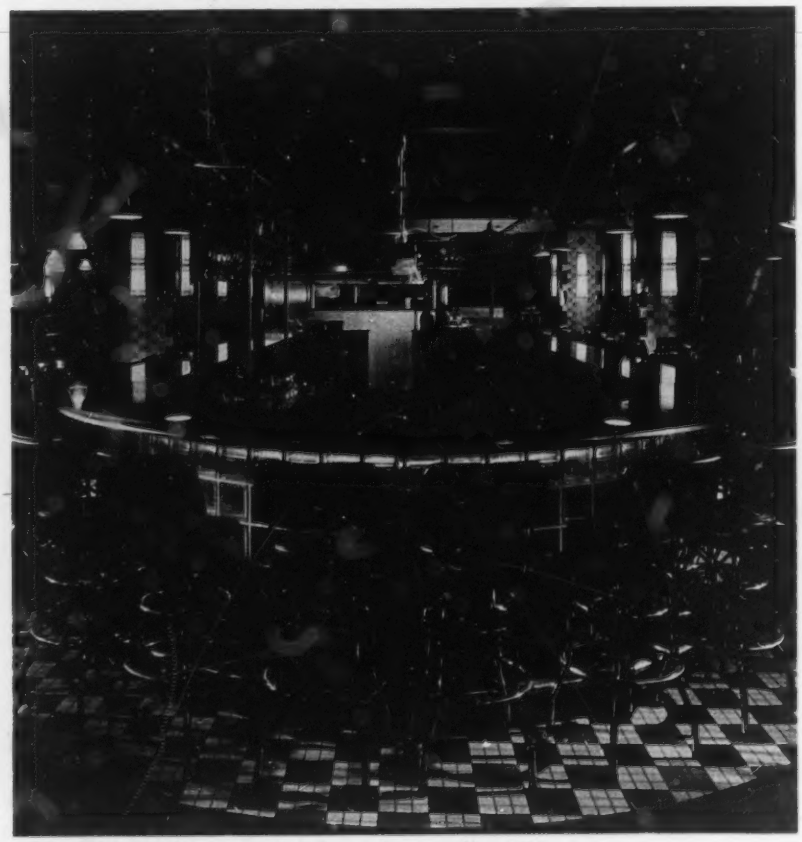

Legal Sea Foods has upgraded the ambience of its units.

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sion currently. Another chain undertaking significant growth mainly in the South, is L&N Seafood Grills, part of Morrison Inc.'s specialty restaurant division. The Mobile, AL-based concept opened nine units last year, giving it a total of 34, and plans at least seven openings this fiscal year.

Average annual unit sales have maintained at $2.1 million, says senior vice president Richard McGeoch. This actually reflects increased traffic, since the company deliberately dropped check averages by reducing some prices and adding lower-priced items.

"We felt our price points were a little too high," McGeoch notes. Since the change, the combined check average for lunch and dinner runs $12.50. Among the additions are an L&N Express lunch menu with six entrees priced $4.50-$7.95 and six sandwiches from $4.95-$5.95. The chain also added new appetizers, dinner salads, and four seafood and pasta dishes.

L&N considers itself a destination restaurant and although some units are in strip centers, the chain will concentrate in the future on freestanding sites. "A very upscale look is what we aim for," McGeoch notes.

Also on the upswing is Ralph & Kacoo's, Baton Rouge, LA, which has stepped up growth since being acquired by Piccadilly Cafeterias two years ago. Ralph & Kacoo's opened its eighth and ninth units in Dallas and Houston earlier this year, and plans to open a second Houston location in August.

In 1992, says Piccadilly vice president Marc Mestayer, the chain plans to open three to five units, taking it beyond its present three-state territory of Louisiana, Texas, and Mississippi.

The atmosphere at Ralph & Kacoo's is casual and "festive," with units sporting colorful decorations. The new locations, for example, all contain a number of rooms, each decorated with different themes. They include a Game room, with stuffed animals and birds, a French Quarter room, and an Audubon room featuring art by the Louisiana-born painter.

Two years ago, Mestayer adds, the chain introduced a heart-healthy menu section, featuring roughly a dozen items formulated with the help of professional dietitians.

"Our approach is a little different from most restaurants in that we don't offer just a heart-healthy entree, but an entire meal including salads, appetizers, entrees, and desserts." About 10% of sales come from that menu.

Ralph & Kacoo's emphasizes a fixed menu of steady favorites available year-round. "We're not a 'catch of the day' type place," Mestayer points out.

INDEPENDENTS REEL IN CUSTOMERS
The segment is dominated by independent operators.
Total Fish/Seafood Units: 10,879
Chain 41.2%
SOURCE: Restaurant Consulting Group Inc., RE-COUNT 1990

TAKE-AWAY. Another Southern enterprise gearing up for greater expansion is Bayport Restaurant Group Inc., Miami, operator of six Crab House restaurants and four Capt. Crab's Take-Aways in Florida and Georgia.

In April, Bayport announced an agreement to sell a 35% interest to a New York-based investor group that includes several restaurant veterans led by Martin Brody, former chairman and CEO and current vice chairman of Restaurant Associates. Conclusion of the deal would create an infusion of capital and expertise that could help Bayport step up growth considerably.

"We're looking for prime spots where we can target tourist, convention, and transit as well as local business," executive vice president Gary Scharps notes.

Independents still control the seafood segment.

Its newest unit, opened in 1989 in Orlando, is running at a rate of $5 million a year. Annual volume at the other Crab House locations ranges from $2 million to $3.5 million.

Bayport hopes to build new Take-Aways, too, but first needs to refine its concept, Scharps comments. The units feature an extremely wide assortment of products for a take-out operation, ranging from its signature bucket of garlic crabs to other from-scratch items including fresh fish, shrimp, snow crab, fried oysters and clams, conch fritters, sandwiches, and Key lime pie.

"As we roll the concept out farther away, we need to streamline the format with an eye to speed of service and ease of execution," Scharps explains.

UPSCALE. Elsewhere around the country, many higher-priced seafood restaurants are investing extra effort to maintain sales at previous levels.

Allston, MA-based Legal Sea Foods, owned by the Berkowitz family, is running about the same traffic level as last year, Roger Berkowitz says. "The difference is that we've been working harder just to stay even. One thing we're doing is investing internally, spending a lot of time and money training our people to provide better service. Traditionally that's an expense that is cut out in lean times."

The eight-unit chain is also upgrading the decor in several units. Check averages have held steady, although the restaurants have offered a series of all-inclusive dinners in the $14.95 price range, particularly in suburban units, to

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provide some lower-priced options. The main new emphasis on the menu, however, is a "health line."

"We're identifying and featuring products that are low in fat, cholesterol, and calories, with some interpretation on the menu of what to look for healthwise," says Berkowitz, who hopes to open his first unit outside Massachusetts by the end of the year.

SPA CUISINE. Skipjack's Seafood Emporium, in Boston and Brookline, MA, has also spotlighted health this year. It introduced "spa cuisine" several months ago, which will be a long-term addition, co-owner Senior notes. Featuring entrees like steamed sole Provençale and grilled coho salmon with fresh salsa, the special menu provides information on the calorie, cholesterol, and fat content of the items, and was prepared with the help of a certified dietitian and nutritionist.

Skipjack's also anticipated the current downtrend in menu prices nearly two years ago, when it added a number of value-oriented items like seafood fajitas and pasta dishes to its menu.

Shaw's Crab House and Shaw's Blue Crab, owned by Chicago's Lettuce Entertain You Enterprises Inc., is continuing its strategy of building excitement and sales with a busy calendar of promotional events. One promotion last month highlighted a new farm-raised sturgeon, says managing partner Steve LaHaie. Another twist this year is its first nonseafood promotion, featuring native northern Illinois strawberries. Another annual event, its fall oyster promotion, was stretched into a week-long celebration last year.

LaHaie adds that the trend on the regular menu is to simpler foods, with an emphasis on lighter relishes and salsas to accompany the fish, and less use of butter and cream.

"We're definitely finding people are more price-conscious than a year ago," he adds. "At $20 for dinner, we haven't been hit as hard as higher-priced restaurants. But we have changed our lunch menu, adding more sandwiches, salads, and entrees below $10."

OPTIONS. Another restaurant that serves a lot of expensive fish, but is trying to broaden the mix with some low-priced options, is The Fish Market, Atlanta. The restaurant is part of the Buckhead Life Restaurant Group, which operates six Atlanta establishments. Checks average $14-$15 at lunch and $38-$40 at dinner. Co-owner and president Pano Karatossos strives for a better menu mix these days and steers servers away from "upselling." Karatossos says operators in inland cities need to search out specialty suppliers to stay on the cutting edge.

High-priced units are eyeing ways to lower costs.

The Water Grill, opening this month in downtown Los Angeles, is the latest venture by University Restaurant Group. President King notes the Grill is an "American seafood restaurant" with special emphasis on the Pacific Northwest, "because that's where the most passionate seafood lovers are, and there is so much wonderful native product." A glassed-in kitchen features three tanks of live product, including Dungeness crab, spiny lobster, Maine lobster, and fresh live shrimp.

Another new concept opened recently in Chicago, Lobster Catchers, is owner/operator Arnie Pinkus's attempt to downscale prices and convey a higher price/value than his former Halsted St. Fish Market provided. While lobster has long been a high-priced item, last year's Maine lobster glut prompted Pinkus to use lobster as a leader.

The restaurant offers customers a choice of five lobster preparations: grilled, steamed, Fra Diavolo, Thermidor, or baked stuffed. The introductory price for a 1-lb. lobster was $9.95. Prices have since risen somewhat. The menu also features 15 to 20 other varieties of seafood daily, plus nonseafood items. Open for dinner only, its checks average $17.

"We saw an opportunity to market what had been an extravagant item at a reasonable price," Pinkus says. **RB**

Stouffer's Parker's Lighthouses are casual, yet pricier than its Rusty Scuppers.